

**SECTION E**  
**INSPECTION AND ACCEPTANCE**

**E.1 INSPECTION AND ACCEPTANCE**

**E-2 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov/far/>

FAR SOURCE	TITLE	DATE
52.246-2	INSPECTION OF SUPPLIES - FIXED PRICE	AUG 1996
52.246-4	INSPECTION OF SERVICES - FIXED PRICE	AUG 1996
52.246-16	RESPONSIBILITY FOR SUPPLIES	APR 1984

**E-3 INSPECTION AND ACCEPTANCE**

CLIN 0001 and CLIN 0002 - Inspection and acceptance will be performed at destination in accordance with the CDRL.

If exercised, CLIN 0003 - Inspection and acceptance will be performed at destination in accordance with the CDRL.

If exercised, CLIN 0004 and CLINS 0012 through 0019 - The ship will be inspected and accepted by the Contracting Officer or the duly authorized representative at the Contractor's facility shown below:

\_\_\_\_\_  
VT Halter Marine, Inc. \_\_\_\_\_  
(Name of Facility)

\_\_\_\_\_  
900 Bayou Cassotte Parkway \_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
Pascagoula, MS 39581 \_\_\_\_\_  
(City, State and Zip Code)

Shore-based spares will be inspected and accepted at a destination determined by an authorized representative of the Government in accordance with the SOR and the inspection and acceptance provisions of this contract.

On-board spares will be inspected and accepted at the Contractor's facility by the Contracting Officer or the duly authorized representative of the Government in accordance with the SOR and the inspection and acceptance provisions of this contract.

As ordered, CLIN 0005 - Additional spare and repair parts, special tools and support and test equipment will be inspected in accordance with the inspection, acceptance provisions of this contract and accepted at a location to be designated in each order by the Contracting Officer or the duly authorized representative of the Government.

As ordered, CLIN 0006 - Outfitting materials will be inspected and accepted at the Contractor's facility by the Contracting Officer or duly authorized representative of the Government in accordance with the SOR and the inspection and acceptance provisions of this contract.

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If exercised, CLIN 0007 and CLIN 0008 - The Additional Government Requirements effort will be inspected and accepted at the Contractor's facility or a location to be designated in each order by the Contracting Officer or duly authorized representative of the Government in accordance with the requirements in SECTION C of this contract entitled "ORDERING ITEMS."

If exercised, CLIN 0009 - Special Study Reports will be inspected and accepted at a location to be designated in each order by the Contracting Officer or duly authorized representative of the Government.

If exercised, CLIN 0010 and CLIN 0011 - The Government Material Installation Support effort will be inspected and accepted at the Contractor's facility or a location to be designated in each order by the Contracting Officer or duly authorized representative of the Government in accordance with the requirements in SECTION C of this contract entitled "ORDERING ITEMS."

**E-4    QUALITY ASSURANCE SYSTEM**

(a) The Contractor shall utilize a Quality Assurance System that assures that all items presented for acceptance by the Government fully comply with the requirements of this contract and SOR. The Contractor shall provide a Quality Assurance plan that documents the system. Existing Quality Assurance Systems that are certified to ISO 9000 are acceptable. Other systems shall be submitted to the Government for approval prior to implementation. The system shall be initiated after contract award and continue throughout the life of the contract. The system shall consist of sequential inspections which document defects, provide for timely correction of deficiencies, identify deficient areas and recommend solutions to systemic problems. The system shall assure the quality of items presented to the Government whether manufactured or processed by the Contractor, or procured from Subcontractors or vendors. The requirements of this requirement are to be used in conjunction with the "INSPECTION" requirements and other tests and inspections required in the SOR.

(b) The system shall be totally integrated into all areas of the Contractor's operation including design and production. The system shall also apply to all tests required by this contract and SOR.

(c) If during the course of the contract, modifications to the Quality Assurance System are planned, for any reason, the Contractor shall submit revisions of the plan to the ConRep for approval within 30 days of identification of the need for a change.

**E-5    CORRECTION OF REJECTED OR DEFECTIVE SUPPLIES (CLIN 0004 ONLY)**

(a) Supplies rejected as nonconforming prior to Preliminary Acceptance and any Contractor responsible defects discovered during the guarantee period shall, at the election of the Government, be replaced or corrected either by the Government or the Contractor. The term "defects" as used in this provision includes any and all defects, deficiencies, deteriorations, and failure(s) in the vessel. The guarantee period is defined in the clause entitled GUARANTY PERIOD in SECTION E of this contract. Supplies which have been rejected or required to be corrected shall be removed or, if permitted, or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails to either promptly remove, correct, or replace supplies as required, the Government may:

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(1) remove, correct, or replace such supplies and equitably reduce any fixed price, or if it is established under a fixed-price incentive contract, the total final price of this contract; or

(2) terminate this contract as provided in the clauses in SECTION I of this contract entitled DEFAULT.

(b) Unless the Contractor corrects or replaces such supplies within the contract delivery schedule, the Contracting Officer may require their delivery and equitably reduce any fixed price, or, if it is established under a fixed-price incentive contract, the total final price.

(c) Under a fixed-price incentive contract prior to the establishment of the total final price, the cost of replacement or correction shall be considered as a cost incurred, or to be incurred, for the purpose of negotiating the total final price. After establishment of the total final price, all replacements or corrections shall be accomplished at no increase in the total final price.

**E-6 LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS (CLIN 0004 AND CLINS 0012 THROUGH 0019 ONLY)**

The Contractor's liability for the replacement or correction of defects discovered subsequent to Preliminary Acceptance (except for latent defects, breach of warranty and fraud or gross mistakes amounting to fraud) shall be limited to \$2,000,000.00.

**E-7 PRELIMINARY ACCEPTANCE (CLIN 0004 AND CLINS 0012 THROUGH 0019 ONLY)**

Upon satisfactory completion of (i) sea trials, (ii) correction of deficiencies and (iii) other requirements of this contract, the Contracting Officer or duly authorized representative of the Government will provide written preliminary acceptance of the ship at the Contractor's facility. The ship shall be considered to be delivered upon preliminary acceptance by the Government.

**E-8 GUARANTY PERIOD**

(a) As used in this contract, the term "defects" includes any and all defects, deficiencies, deteriorations, and failure in the vessel. There shall be a guaranty period for the vessel beginning at the time of preliminary acceptance and ending six (6) months after preliminary acceptance of the vessel, unless extended as provided in paragraph (b) below. Should OPTION CLINS 0020 or 0021 be exercised, the six (6) month guaranty period shall be extended to nine (9) or twelve (12) months, respectively.

(b) The guaranty period for the vessel shall be extended by the time during which such vessel is not available for unrestricted service by reason of any defects for which the Contracting Officer shall determine the Contractor to be responsible. During said period the vessel, after being fully equipped and in all respects complete and ready for service, may be finally tried by and at the expense of the Government under conditions prescribed by the Government. The Contractor must have personnel on board such vessel during such period, in accordance with the SOR. Such personnel shall have every reasonable opportunity to inspect the working of such vessel in all its parts but shall have no power to direct or control its operation.

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**E-9 FINAL ACCEPTANCE (CLIN 0004 AND CLINS 0012 THROUGH 0019 ONLY)**

The Contracting Officer or duly authorized representative of the Government will provide written final acceptance of the ship upon the expiration of its guarantee period.

**SECTION F**  
**DELIVERIES OR PERFORMANCE**

**F.1 DELIVERIES OR PERFORMANCE**

**1. CLIN 0001 and CLIN 0002, Coastal Mapping Vessel Feasibility and Preliminary Design and Documentation**

The Feasibility Design and associated documentation shall be completed within 30 days after contract award. The Preliminary Design and associated documentation shall be completed within 120 days after contract award. Feasibility Design and Preliminary Design documentation shall be delivered in accordance with the CDRL, Attachment J-2.

**2. If exercised, OPTION CLIN 0003, Coastal Mapping Vessel Contract Design and Documentation**

The Contract Design and associated documentation shall be completed within nine (9) months after option exercise. Contract Design documentation shall be delivered in accordance with the CDRL, Attachment J-2.

**3. If exercised, OPTION CLIN 0004, Detail Design and Construction and Documentation of One Coastal Mapping Vessel, including, to the extent exercised, OPTION CLINS 0012 through 0019**

a. The Contractor shall deliver the ship fully outfitted in accordance with this contract, and after successful trials, ready to receive cargo and crew, and with approvals and certifications in place as required. The ship, when delivered, shall be at a draft and trim condition which is within the limiting requirements for full load condition. Where ballast water is necessary, the delivery condition shall be achieved through the use of either clean seawater or fresh water ballast or both, but the quantity shall not exceed the ship normal ballast capacity unless specifically approved by the ConRep. Polluted or silt carrying water, such as harbor or river water, shall not be used to achieve the delivery condition of the ship. The Contractor shall ensure that the delivery condition is restored in accordance with the above criteria where it becomes necessary to obtain a differing temporary condition to clear an obstruction (low bridge, shallow draft, narrow beam clearance, etc.) on the way to open ocean. Great Lakes Offerors will be required to deliver the ship prior to the close of the St. Lawrence Seaway in time for the Government to make the exit transit, where delivery is required during December and January. In addition, when delivery is required from a Great Lakes Offeror during February, March or April, the ship shall be delivered within two weeks of the opening of the Seaway.

b. The Contractor shall present the ship for Preliminary Acceptance 20.5 months after OPTION CLIN 0004 Notice to Proceed has been issued in writing per H-17 "NOTICE TO PROCEED".

**4. If exercised, OPTION CLIN 0005, Additional Spares, Repair Parts, Special Tools, and Support and Test Equipment**

The Contractor shall deliver all additional repair parts, spares, special tools, and support and test equipment prior to ship delivery, in accordance with the SOR.

**5. As ordered, OPTION CLIN 0006, Outfitting Material**

The Contractor shall deliver all outfitting material prior to ship delivery, in accordance with the SOR.

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**6. As ordered, OPTION CLIN 0007 and CLIN 0008, Additional Government Requirements**

Any Additional Government Requirements effort shall be performed and delivered in accordance with orders issued pursuant to the clause entitled "ORDERING ITEMS" in Section C of this contract.

**7. As ordered, OPTION CLIN 0009, Special Studies**

The Contractor shall deliver Special Studies in accordance with orders issued pursuant to the clause entitled "ORDERING ITEMS" in Section C of this contract.

**8. As ordered, OPTION CLIN 0010 and CLIN 0011, Government Material Installation Support**

Any Government Material Installation Support effort shall be performed and delivered in accordance with orders issued pursuant to the clause entitled "ORDERING ITEMS" in Section C of this contract.

**9. LIQUIDATED DAMAGES FOR LATE DELIVERY**

a. The provisions for liquidated damages under the clause of this contract entitled "LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT (SEPT 2000)" will be enforced for late delivery of CLIN 0004 only under the following circumstances:

(1) the event giving rise to the vessel delivery delay occurs within 180 days prior to the contract delivery schedule date, and

(2) the delay is not excusable, as determined by the Contracting Officer. The definition of "excusable" shall be the same as that in Section I, EXCUSABLE DELAY."

b. Further, the computation of any amount of liquidated damages payable by the Contractor shall be limited to the number of days of vessel charter services obtained by the Government as a direct result of delivery delay(s) hereunder, up to a maximum amount of \$1,000,000.00. This provision applies only to the "vessel," CLIN 0004.

**10. SECTION F: CLAUSES INCORPORATED BY REFERENCE**

FAR

SOURCE

TITLE AND DATE

52.211-11	LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT (SEPT 2000) Insert in paragraph (a): "\$10,000.00 per day up to a maximum of \$1,000,000.00"
52.242-15	STOP-WORK ORDER (AUG 1989)
52.247-29	F.O.B. ORIGIN (JUN 1988)
52.247-34	F.O.B. DESTINATION (NOV 1991)
52.247-48	F.O.B. DESTINATION--EVIDENCE OF SHIPMENT (FEB 1999)
52.247-55	F.O.B. POINT FOR DELIVERY OF GOVERNMENT-FURNISHED PROPERTY (APR 1984)
52.247-65	F.O.B. ORIGIN, PREPAID FREIGHT--SMALL PACKAGE SHIPMENTS (JAN 1991)

**SECTION G**  
**CONTRACT ADMINISTRATION DATA**

**G.1 CONTRACT ADMINISTRATION DATA**

**G-1.1 PURCHASING OFFICE REPRESENTATIVE:**

A Contracting Officer within the U. S. Department of Commerce/NOAA acting within his/her authority.

**G.1.2 1352.201-70 CONTRACTING OFFICER'S AUTHORITY (MARCH 2000)**

The Contracting Officer is the only person authorized to make or approve any changes in any of the requirements of this contract and notwithstanding any provisions contained elsewhere in this contract, the said authority remains solely in the Contracting Officer. In the event the Contractor makes any changes at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract terms and conditions, including price.

**G.1.3 1352.201-71 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)  
(FEBRUARY 2005)**

a. Mr. Stephen Madden is hereby designated as the Contracting Officer's Technical Representative (COTR). The COTR may be changed at any time by the Government without prior notice to the Contractor by a unilateral modification to the Contract. The COTR is located at:

Stephen Madden  
U. S. Department of Commerce/NOAA  
National Marine Aviation Operations  
5801 Elderferry Road  
Moss Point, MS 39563  
Phone: 228-475-8742  
Fax 228-604-3741  
Email Address: [stephen.madden@noaa.gov](mailto:stephen.madden@noaa.gov)

b. The responsibilities and limitations of the COTR are as follows:

- (1) The COTR is responsible for the technical aspects of the project and serves as technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract.
- (2) The COTR is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the Contract price, terms or conditions. Any Contractor request for changes shall be referred to the Contracting Officer directly or through the COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer (CO). The CO may designate assistant or alternate COTR(s) to act for the COTR by naming such assistant/alternate(s) in writing and transmitting a copy of such designation to the Contractor.

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**G-2 NOAA CONSTRUCTION REPRESENTATIVE (CONREP):**

Stephen Madden  
U. S. Department of Commerce/  
National Marine Aviation Operations  
5801 Elderferry Road  
Moss Point, MS 39563  
Phone: 228-475-8742  
Fax 228-604-3741  
Email Address: [stephen.madden@noaa.gov](mailto:stephen.madden@noaa.gov)

**G-3 CONTRACTOR REPRESENTATIVES AUTHORIZED TO SIGN DOCUMENTS**

Upon execution of the Contract, the Contractor shall provide a written list to the Contracting Officer which identifies those Contractor representatives who are authorized to sign written communication on behalf of the Contractor. The list shall specifically contain the following: (1) name of individual authorized to sign Contractor-generated technical data and Contractor management type documentation, and (2) type of documentation each individual is authorized to sign. Upon addition or deletion of one or more names, the list shall be revised accordingly.

**G-4 ELECTRONIC INFORMATION MANAGEMENT SYSTEM (APPLICABLE TO CLINS 0003 AND 0004 ONLY)**

The Government will operate and maintain a secure, Web-based information management system that will be used for the review of Contract Design and Detailed Design and Construction deliverables submitted by the Contractor in accordance with the CDRL, Attachment J-2. The Contractor shall utilize a reliable dedicated high speed Internet connection, T-1 or better, and upload all deliverables required under this contract to the electronic information management system.

All submittals, including drawings, reports and machine-produced listings shall include the following information:

- (a) The contract number, data item number and data item title. When multiple submissions are made under the same data item (such as drawings, purchase orders and test reports), a subtitle shall be used to further identify the content.
- (b) A list of all enclosures being submitted in the data package.
- (c) A revision letter or number and date shall be included to reflect the revision of any previously submitted document. The cover sheet shall provide a brief explanation of the reason for the change or a more detailed discussion shall be included in the content of the submittal.
- (d) Submittals requiring approval shall state: "This document requires Government approval." If approval has been granted, the approved version shall state: "This document has been reviewed and approved by the Government."
- (e) Incremental submittals and documents regarding recurring meetings or events shall identify the increment/event date (if not otherwise identified in the subtitle).
- (f) Distribution and quantity of copies being sent.



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The Contractor must maintain scheduling data relating to the submission requirements of data items and, to the maximum extent possible, must ensure that actual deliveries are made on or before specified due dates. Submission criteria are usually based on key events that are known to both the Contractor and to Government personnel (such as contract award). The Contractor must alert the Contracting Officer and ConRep via email that a data item is available for review.

The Contractor must maintain internal quality control to ensure submittals are complete and adequate and should not rely on Government review comments to ensure the technical accuracy of data.

The approval time period for Government review, identified in the data requirements list, commences at receipt of the data by the Government agency responsible for providing approval.

In most cases, approval will be granted subject to resolution of issues raised by review comments. If all issues can be successfully resolved, the Contractor must correct and resubmit the data. In the event the Contractor disagrees with the intent of the review comments or is unable to comply with and/or resolve issues raised, the Contractor must submit correspondence explaining the disagreement and propose suitable alternatives with supporting rationale.

**SECTION H**  
**SPECIAL CONTRACT REQUIREMENTS**

**H.1 BUILDER'S RISK INSURANCE**

The Contractor shall, from the start of vessel construction until preliminary acceptance by the Government, provide and maintain in force a Builder's Risk Policy on behalf of the Government covering the vessel and all material and equipment for the vessel to be provided, if exercised, under CLIN 0004; provided, that for CLIN 0004 the cost of detail design shall be excluded from the insured value. The Contractor agrees that the price of CLIN 0004 includes the price of the insurance required by this provision. A copy of the policy shall be provided to the Government by the Contractor, prior to and as a condition of the Government's issuance of a notice to proceed after exercise of CLIN 0004.

**H-2 LIENS AND TITLE**

(a) Any and all partial and progress payments made hereunder on account of the vessel and the materials and equipment therefor shall be secured, when made, by a lien in favor of the Government upon such material and equipment on account of all payments so made, except to the extent that the Government, by virtue of any other requirement of this contract, or otherwise, shall have valid title to such material and equipment as against other creditors of the Contractor. If such property is not identified by marking or segregating, the Government shall be deemed to have a lien upon a proportionate part of any mass of property with which such property is commingled. Any lien provided for by virtue of this requirement is paramount to all other liens under the provisions of 10 U.S.C. Sec 2307. Upon completion and delivery of the vessel, said lien shall be discharged as to any materials and equipment which have not been included in the vessel and which are no longer required therefor.

(b) The Contractor shall immediately discharge or cause to be discharged any lien or rights in rem of any kind, other than in favor of the Government, which at any time exists or rises with respect to the machinery, fittings, equipment or materials for the vessel. If any such lien or right in rem is not immediately discharged, the Government may discharge or cause to be discharged said lien or right in rem at the expense of the Contractor.

(c) Title to the vessel under construction shall be in the Government and title to all materials and equipment acquired for the vessel shall vest in the Government upon delivery thereof to the plant of the Contractor or other place of storage selected by the Contractor, whichever of said events shall first occur; provided, that the ConRep may, by written direction, require that title shall vest in the Government upon delivery of such materials and equipment to the carrier for transportation to the plant of the Contractor or other place of storage selected by the Contractor. The amount of any freight charges, transportation, taxes or other costs which would have been paid by the Contractor, either directly or as an element of any subcontract cost, and which the Contractor shall not be required to pay as a result of such earlier vesting of title and any use of Government bills of lading, shall be determined and treated as though resulting from a change order and the contract price reduced accordingly. Upon completion of the vessel, or with the approval of the ConRep at any time during the construction of the vessel, all such materials and equipment which have not been included therein and which are agreed between the Contractor and the ConRep to be no longer required therefor, except materials and equipment which were furnished by the Government or the cost of which has been reimbursed by the Government to the Contractor, shall become the property of the Contractor; provided, however, that models, mockups, plans and other items which the Contractor is expressly required to construct, prepare, or furnish shall remain the property of the Government. Upon completion of the

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contract, or at such earlier date as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government, the cost of which has been reimbursed by the Government to the Contractor apart from the fixed price. The Contractor shall deliver or make such other disposal of such property as may be directed or authorized by the Contracting Officer. Recoverable scrap from such property shall be reported in accordance with such procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the Government and shall be paid in such manner as the Contracting Officer may direct. For the purpose of this requirement, "net proceeds" means actual amount collected from such sale of disposal less sales, collection fees and other reasonable related expenses.

**H-3 NOTIFICATION OF CHANGES**

(a) Definitions. As used in this requirement, the term "Contracting Officer" does not include any representative of the Contracting Officer whether or not such representative is acting within the scope of his authority nor does it include any other individuals or activities that in any way communicate with the Contractor. As used in this requirement, the term "conduct" includes both actions and failures to act, and includes the furnishing of, or the failure to furnish, any item under any provision of this contract.

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers to be or to require a change to this contract. The parties acknowledge that proper administration of this contract requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would be or to require a change to this contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor:

(i) The date, nature, and circumstances of the conduct regarded as a change;

(ii) The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct;

(iii) The identification of any documents and the substance of any oral communication involved in such conduct;

(iv) The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including:

(1) The ship that has been or might be affected by the potential change;

(2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;

(3) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and the schedule effect of the potential change; and

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(4) The particular technical requirements or contract requirements regarded as changed, and in what manner the Contractor believes them to be changed.

(c) Continued Performance. Except as provided in paragraph (f) below, following submission of notice, the Contractor shall take no action to implement a potential change until advised by the Contracting Officer in writing as provided in (d) below, unless the potential change was previously directed by the Contracting Officer, in which case the Contractor shall conform therewith. Nothing in this paragraph (c) shall excuse the Contractor from proceeding with contract work other than implementation of the potential change or from proceeding in accordance with directions issued by the Contracting Officer.

(d) Government Response. The Contracting Officer shall promptly, and in any event within twenty-one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either:

(i) Confirm that the conduct of which the Contractor gave notice constitutes a change, and when necessary, direct the mode of further Contractor performance, or;

(ii) Countermand any conduct regarded by the Contractor as a change, or;

(iii) Deny that the conduct of which the Contractor gave notice constitutes a change and, when necessary, direct the mode of further Contractor performance, or;

(iv) In the event the Contractor's notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under (d)(ii).

(e) Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by the Contracting Officer shall be made in accordance with the clause of this contract entitled "CHANGES", or any other requirement of this contract which provides for an equitable adjustment.

(f) Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer's response to the Contractor's notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where

(1) The circumstances do not allow sufficient time to notify the Contracting Officer of the facts prior to the need to proceed with the work, and;

(2) The work must proceed to avoid hazards to personnel or property or to avoid additional cost to the Government, the Contractor may proceed with work in accordance with the potential change. In such special situations, the Contractor shall advise the Contracting Officer in writing within ten (10) days of the conduct giving rise to the potential change that the Contractor has proceeded and shall describe the nature of the special situation which required proceeding prior to notification. Within thirty (30) calendar days of the conduct giving rise to the potential change, the Contractor shall provide notice as required in (b) above. The Contracting Officer shall respond as set forth in (d) above. If the Contracting Officer determines that the conduct constitutes a change and countermands it, the Contractor shall be entitled to an equitable

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adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.

(g) When the Contractor identifies any conduct which may result in delay to delivery of the ship, the Contractor shall promptly so inform the Contracting Officer thereof prior to providing the notice required by paragraph (b) above.

**H-4 OTHER CHANGE PROPOSALS**

(a) The Contracting Officer, in addition to proposing engineering changes pursuant to other requirements of this contract, and in addition to issuing changes pursuant to the clause of this contract entitled "CHANGES", may propose other changes within the general scope of this contract as set forth below. Within forty-five (45) days from the date of receipt of any such proposed change, or within such further time as the Contracting Officer may allow, the Contractor shall submit the proposed scope of work, plans and sketches, and its estimate of: (A) the cost, (B) the weight and moment effect, (C) effect on delivery dates of the vessel, and (D) status of work on the vessel affected by the proposed change. The proposed scope of work and estimate of cost shall be in such form and supported by such reasonably detailed information as the Contracting Officer may require. Within sixty (60) days from the date of receipt of the Contractor's estimate, the Contractor agrees to either (A) enter into a supplemental agreement covering the estimate as submitted, or (B) if the estimate as submitted is not satisfactory to the Contracting Officer, enter into negotiations in good faith leading to the execution of a bilateral supplemental agreement. In either case, the supplemental agreement shall cover an equitable adjustment in the contract price, including an equitable adjustment for the preparatory work set forth above, scope, and all other necessary equitable adjustments. The Contractor's estimate referred to in this subparagraph shall be a firm offer for sixty (60) days from and after the receipt thereof by the Contracting Officer having cognizance thereof, unless such period of time is extended by mutual consent.

(b) Pending execution of a bilateral agreement or the direction of the Contracting Officer pursuant to the "CHANGES" clause, the Contractor shall proceed diligently with contract performance without regard to the effect of any such proposed change.

(c) In the event that a change proposed by the Contracting Officer is not incorporated into the contract, the work done by the Contractor in preparing the estimate in accordance with subparagraph (a) above shall be treated as if ordered by the Contracting Officer under the "CHANGES" clause. The Contractor shall be entitled to an equitable adjustment in the contract price for the effort required under subparagraph (a), but the Contractor shall not be entitled to any adjustment in delivery date. Failure to agree to such equitable adjustment in the contract price shall be a dispute within the meaning of the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

**H-5 QUARTERLY PROGRESS REVIEWS (QPRs) (APPLICABLE TO CLINs 0003 AND 0004, IF EXERCISED)**

(a) The Government will hold Quarterly progress meetings at the Contractor's facility, beginning three (3) months after exercise of OPTION CLIN 0003. The purpose of the meetings is to report progress, anticipated delays, cost experience in relation to budget and projected end costs, manning, schedules, receipt of Government-furnished material, Contractor-furnished material, logistics, production problems, and other related matters. The Contractor shall provide agendas and minutes for these meetings. The agenda content will be discussed at the post award conference.

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(b) It is agreed and understood that the reports to be made by the Contractor pursuant to this requirement are additional to, and not in substitution for, reports and notices required to be made or given by the Contractor pursuant to other requirements of this contract.

**H-6 DESIGN REVIEWS**

(a) The Government will conduct design reviews. The purpose of these reviews is for the Contractor to report engineering/design progress, anticipated problems, and other related matters. The Contractor shall provide agendas and minutes for these meetings.

(b) Design reviews during the performance of CLIN 0001 and CLIN 0002 will be held at the Government's facility. CLIN 0001 and CLIN 0002 Design Reviews will be held approximately 60 and 90 days after contract award.

(c) Design Reviews during the performance of CLIN 0003, if exercised, and CLIN 0004, if exercised, will begin 45 days after the effective date of exercise of CLIN 0003 and shall continue each 45 days until completion of the Contractor's detailed design. CLIN 0003 and CLIN 0004 Design Reviews shall be held at the Contractor's facilities.

(d) It is agreed and understood that the reports to be made by the Contractor pursuant to this requirement are additional to, and not in substitution for, reports and notices required to be made or given by the Contractor pursuant to other requirements of this contract, including, but not limited to, the "NOTIFICATION OF CHANGES" clause IN SECTION I.

**H-7 PROGRESS PAYMENTS (APPLICABLE TO CLIN 0003, IF EXERCISED)**

Progress payments may be submitted at monthly intervals; provided, however, that the aggregate of such payments made prior to completion of the CLIN 0003 effort shall not be in excess of 95 percent of the contract price for CLIN 0003. Progress shall be determined by the percentage of Contract work completed.

**H-8 PROGRESS PAYMENTS (PERCENTAGE OF COMPLETION) (APPLICABLE TO CLIN 0004, IF EXERCISED)**

Progress payments on account of the Contract shall be made by the Contracting Officer to the Contractor as the Contract work progresses. All progress payments shall be subject to a retainage of five percent (5%). The amounts of such payments shall be determined by; (a) dividing the contract price for CLIN 0004 into a set amount of points (10,000), representing the total cost of the labor by SWBS element as presented in the Contractor's final price proposal, and measuring said progress by the percent of completion of said portions of the Contract work, as certified by the Contractor subject to the approval of the ConRep, and (b) dividing the contract price for CLIN 0004 material into a set amount of points (10,000) representing the total cost of material by SWBS element as presented in the Contractor's final price proposal, and measuring said progress by the amount of material paid for as shown by payment made by cash, check or other forms of actual payment as certified by the Contractor subject to approval of the ConRep.

In addition to progress payments under CLIN 0004, the Contracting Officer will make payments to the Contractor for work completed by the Contractor under CLINS 0005 through 0019, if exercised or ordered, following certification of completion of the work by the Contractor subject to the approval of the ConRep.

**SECTION H**  
**SPECIAL CONTRACT REQUIREMENTS**

For work under CLINS 0005 through 0019 for which work is not yet complete, the Contractor must submit to the ConRep, within 15 days after each calendar quarter for approval, a revised 10,000 point weighting of the CLIN 0004 progressing system to include all labor and material costs exercised or ordered under CLINS 0005 through 0019 from the previous calendar quarter. The revised weighting may, within a SWBS element, reallocate CLIN 0004 labor and material costs as determined to be necessary by the Contractor subject to the approval of the ConRep.

Progress payments may be submitted at monthly intervals; provided, however, that the aggregate of such payments made prior to the delivery of the vessel by the Contractor to the Government shall not be in excess of 95 percent of the contract price for CLIN 0004. Progress shall be determined by the percentage of Contract work completed and material delivered to the Contractor at its Shipyard and paid for as shown by payment made by cash, check or other form of actual payment, as certified by the Contractor subject to approval of the ConRep.

The Contractor agrees that it shall not allow liens, security interest or rights in rem of any kind arising out of the Contract work, or on account of any claim against the Contractor or against the subcontractor of the Contractor performing work or furnishing material under this Contract to lie or attach against the vessel or any of said property, material, or Contract work.

The amounts withheld under the provisions of this Section, plus any other amounts payable to the Contractor under the terms of this Contract shall be paid (except amounts withheld for liquidated damages and any offset required by law) as follows:

(i) All except 2 1/2 percent of the Contract price for CLINs 0004 through 0019 shall be payable promptly after the preliminary acceptance of the vessel.

(ii) The balance of the Contract price for CLIN 0001 through 0021 shall be paid within 30 days of the end of the Guaranty period, provided all contractual obligations have been satisfied.

No payments on account of the Contract price shall be made except on submitted bills, vouchers, or invoices which shall be in such number and form and shall be executed, certified, and attested in accordance with the clause in Section I of this contract entitled PROMPT PAYMENT (JUN 1997).

The Contractor shall maintain a file of all purchase orders issued and subcontracts entered into by the Contractor in the performance of the Contract work and shall furnish copies of such priced purchase orders and subcontracts to the Contracting Officer as may be required.

At any time or times prior to final payment under this contract, the Contracting Officer may have any invoices and statements or certifications of costs audited. The Contracting Officer may require the Contractor to submit, or make available for examination by the Contracting Officer or his designated representative, the supporting documentation upon which invoices, statements or certifications of costs are based. Each payment theretofore made shall be subject to reduction as necessary to reflect the exclusion of amounts included in the invoices or statements or certifications of costs which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable costs. Any payment may be reduced for over-payments, or increased for underpayment on preceding invoices.

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**SPECIAL CONTRACT REQUIREMENTS**

**H-9 AWARD FEE (APPLICABLE TO CLIN 0004, IF EXERCISED)**

(a) In addition to the price specified in Section B for CLIN 0004, the Contractor may earn award fee as determined by the Fee Determining Official (FDO). While not a traditional award fee, the Government's purpose in granting this incentive bonus is to encourage and reward superior Contractor effort toward performance of this contract by periodically reviewing the Contractor's effectiveness in ensuring (1) effective cost control, (2) timely ship delivery, (3) effective management (including relationships with the Government and subcontractors, and the extent of small business participation), and (4) effective design/engineering, weight control/stability, production, and logistics. It is recognized that the standards by which the Contractor's performance is to be gauged are not susceptible to precise definition; however, these are the general areas on which particular emphasis will be placed. The Contracting Officer will establish the relative weights of the evaluation categories.

(b) The Government, at its sole discretion, may decide to provide funds under CLIN 0004 to be made available under this award fee provision. The amount of this funding, if any, will be determined by the Government after contract award and incorporated into the contract through a unilateral contract modification. The Government may increase or decrease the amount of the funding provided, if any, from time to time as necessary.

(c) The Contractor's performance evaluation will be conducted by an Evaluation Board consisting of no less than four of the following members:

- (i) NOAA Acquisition Manager;
- (ii) NOAA Deputy Acquisition Manager;
- (iii) Contracting Officer (CO) or Representative (non-voting member);
- (iv) Senior NOAA On-Site Construction Representative;

(d) The Fee Determining Official (FDO) will be The Deputy Director, NOAA's Marine and Aviation Operations. The FDO shall determine the award fee, if any, that the Contractor will be awarded in accordance with the procedures set forth herein.

(e) The performance period will begin at exercise of CLIN 0004 and continue to the end of the guaranty period. The Evaluation Board will meet after the first six months of performance under CLIN 0004 and again at the close of the evaluation period. The Board will consider evaluations of the Contractor's performance from the Government's on-site team and, as appropriate, from other Government participants in the CMV acquisition. The Contractor may furnish a self-evaluation of its performance for the Board to consider. Additionally, the Board may request information from the SSVs and other subcontractors regarding the Contractor's performance, and the Board may utilize the services of third party experts for the evaluation of specific technical issues as necessary.

The Board will arrive at a scoring consensus and provide a written recommendation and rationale to the FDO. The Board's recommendation will also be furnished to the Contractor, who will be given five calendar days to provide written comments to the FDO. In the event that the Contractor does not concur with the recommendation, it may present its exception to the FDO. These comments will be considered by the FDO in establishing the earned award fee amount. The FDO shall, within ten days of receipt of any Contractor comments, make the award fee determination (including the amount and rationale for the determination) to be incorporated into the contract formally via contract modification. Any award fee earned by the Contractor shall be conferred to the Contractor by the execution of a contract modification within thirty (30) days



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**SPECIAL CONTRACT REQUIREMENTS**

and shall not be subject to any payment withholding percentage, notwithstanding any other provision of this contract.

(f) Determinations of the FDO with respect to the amount of award fee to be paid to the Contractor are final and shall not be subject to the "DISPUTES" clause of this contract, nor shall the Contractor be entitled to submit a claim regarding any such determination under the Contract Disputes Act of 1978 (P.L. 95-563).

(g) Award fee, if funded, will be made available from the Government's share of the Incentive Fee remaining under the ceiling price at the completion of construction.

(h) Performance Ratings.

In evaluating Contractor performance, the following adjectives and numerical ratings will be used:

<u>Adjective Rating</u>	<u>Numerical Value</u>	<u>Criteria</u>
<u>Excellent</u>	<u>96-100</u>	The Contractor's degree of cooperation with the Government, or its effort towards achieving the objectives set forth in paragraph (a) above exceeds the expected level of performance by a substantial margin. While there may be one or more areas for improvement, they are few in number, are minor in terms of potential program impact, and they are far more than offset by outstanding performance in other areas.
<u>Good</u>	<u>85-95</u>	The Contractor's degree of cooperation with the Government, or its effort towards achieving the objectives set forth in paragraph (a) above is above the expected level of performance. Areas requiring improvement may be significant, but are more than offset by higher performance in other areas being evaluated.
<u>Acceptable</u>	<u>76-84</u>	The Contractor's degree of cooperation with the Government, or its effort towards achieving the objectives set forth in paragraph (a) above meets the expected level of performance. There are areas requiring improved performance; however, these are offset by better performance in other areas.
<u>Marginal</u>	<u>71-75</u>	The Contractor's degree of cooperation with the Government, or its effort towards achieving the objectives set forth in paragraph (a) above is less than the expected level of performance by a substantial margin. Many areas require improvement which are not offset by better performance in other areas.
<u>Unacceptable</u>	<u>70 and below</u>	The Contractor's performance is significantly below the expected level performance in several important areas.

(i) The relationship of the performance rating to the percentage of award fee pool to be paid, will be as follows:

<u>Performance Rating</u>	<u>Percent of Award Fee Pool</u>
0-70:	0
71-100:	$\frac{[(\text{Rating} - 70)]}{[30]} \times 100$

(j) Payment of Award Fee. The Contractor shall be paid earned award fee, if any, upon submission of a proper invoice or voucher.

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**SPECIAL CONTRACT REQUIREMENTS**

**H-10 NOT USED**

**H-11 OFFER GUARANTEE (SEPT 1996)**

(a) The Contractor shall furnish an offer guarantee in accordance with the CDRL, Attachment J-2. Failure to furnish an offer guarantee in the proper form and amount, by the time set for submittal of the Contractor's updated information for the Final Phase I down-selection (see Sections L and M), may be cause for rejection of the offer.

(b) The offeror shall furnish an offer guarantee in the form of a firm commitment, e.g., bid bond supported by good and sufficient surety or sureties acceptable to the Government, postal money order, certified check, cashier's check, irrevocable letter of credit, or, under Treasury Department regulations, certain bonds or notes of the United States. The Contracting Officer will return offer guarantees, other than bid bonds--

(1) To unsuccessful offerors as soon as practicable upon award; and

(2) To the proposed awardee upon execution of contractual documents and bonds (including any necessary coinsurance or reinsurance agreements), as required by the offer as accepted.

(c) The amount of the offer guarantee shall be equal to 20 percent of the Contractor's price for the total of CLIN 0003 and CLIN 0004. The offer guarantee shall be valid until the exercise of CLIN 0003, if at all, or until such earlier time as determined by the Contracting Officer in the event CLIN 0003 is not exercised.

(d) If the successful offeror, upon acceptance of its offer by the Government within the period specified for acceptance, fails to execute all contractual documents or furnish executed bond(s) within 10 days after receipt of the forms by the offeror, the Contracting Officer may terminate the contract for default.

(e) In the event the contract is terminated for default, the successful awardee is liable for any cost of acquiring the work that exceeds the amount of its offer, and the offer guarantee is available to off-set the difference.

**H-12 PERFORMANCE AND PAYMENT BONDS --Other Than Construction (July 2000)**

(a) *Definitions.* As used in this clause--  
"Contract price" means the price of CLIN 0003 at exercise of CLIN 0003, and means the Target Price of CLIN 0004, and to the extent exercised, CLINs 0012 through 0021, at exercise of CLIN 0004.

(b) The Contractor shall furnish a performance bond (Standard Form 1418) for the protection of the Government in an amount equal to 20 percent of the contract price for CLIN 0003 and a payment bond (Standard Form 1416) in an amount equal to 20 percent of the contract price for CLIN 0003. The amount of the performance bond and the amount of the payment bond shall each be modified to be equal to 20 percent of the contract price for CLIN 0004, as defined in (a) above, at the time CLIN 0004 is exercised, if at all.

(c) The Contractor shall furnish all executed bonds, including any necessary reinsurance agreements, to the Contracting Officer, within 10 days after exercise of CLIN 0003, but in any event, before starting any work under CLIN 0003. The Contractor shall also furnish all executed bonds, including any necessary reinsurance agreements, to the Contracting Officer, within 10 days

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after exercise of CLIN 0004, but in any event, before starting any work under CLIN 0004.

(d) The Government may require additional performance and payment bond protection if the contract price is increased. The Government may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

(e) The bonds shall be in the form of firm commitment, supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570, individual sureties, or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit, or, in accordance with Treasury Department regulations, certain bonds or notes of the United States. Treasury Circular 570 is published in the *Federal Register*, or may be obtained from the:

U.S. Department of Treasury  
Financial Management Service  
Surety Bond Branch  
401 14th Street, NW, 2nd Floor, West Wing  
Washington, DC 20227

**H-13 SINGLE SYSTEM VENDOR**

(a) If an integrated diesel electric plant is to be provided, the Contractor shall select a Single System Vendor (SSV) to be responsible for the overall engineering design, integration, Regulatory Body approval, testing and supply of the propulsion system, as described in the Statement of Requirements, Attachment J-1. The SSV shall be experienced in marine electrical propulsion plants and controls and shall have experience as a supplier of electrical control system equipment for this type of application. The Contractor and/or shipbuilder is prohibited from acting as the SSV.

(b) The Contractor agrees to place and to maintain in force through the life of this contract, a subcontract with the SSV identified in its proposal, and that the contract price includes the price of this subcontract. No substitutions shall be made without the written consent of the Contracting Officer. Any request for substitutions must provide a complete explanation of the circumstances necessitating the proposed substitution. The proposed substitute subcontractor must possess qualifications equivalent to the firm being replaced.

(c) The Contractor agrees to implement the recommendations of the SSV in all aspects of the design and construction of the vessel under this contract, unless, on a case-by-case basis, the Contractor can demonstrate to the satisfaction of the Contracting Officer that a specific recommendation is erroneous or otherwise cannot reasonably be implemented.

**H-14 THE CONTRACTOR**

Except in those cases where the ship design and ship construction functions are to be performed by a single business entity, the Government intends to enter into a unitary contract with a one or more Contractor teams, joint ventures, integrators, partnerships or similar entities for the complete design, construction and delivery of the vessel under this solicitation. "The Contractor" for purposes of both contract award and contract performance shall constitute the single business entity, Contractor team, joint venture, integrator, partnership or similar entity. All such arrangements shall be

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**SPECIAL CONTRACT REQUIREMENTS**

maintained by the Contractor from award of CLIN 0001 or CLIN 0002 through the end of the Guaranty period.

**H-15 DESIGN-TO-COST**

(a) The total Government funding available for completion of CLINs 0003 and 0004, if exercised, is \$10,108,000.00.

(b) During performance of the Preliminary Design under CLIN 0001 or CLIN 0002, the Contractor shall develop a detailed price for CLINs 0003 and 0004.

(c) In the event that the Contractor's detailed price indicates that the ceiling price for CLINs 0003 and 0004 (the total of the price for CLIN 0003 plus the ceiling price for CLIN 0004) will be less than \$10,108,000.00, the Contractor may modify his design. The Government has determined that certain operational parameters offer important benefits over the service life of the SWATH Coastal Mapping Vessel. These objectives exceed the minimum requirements identified in the SOR, and are expected to result in significantly enhanced capability of the vessel to perform coastal mapping missions. The key objectives and their relative order of importance in descending order are:

- Endurance for Mission Profiles of up to 10 days, and a Range No Greater Than 2750 Nautical Miles at Transit Speed
- Design Speed up to 15 Knots
- Hydrographic Survey Launch and Associated Accommodations in accordance with the SOR for Implementation of the Survey Launch Mission Suitability Feature (Attachment J-6)

The Contractor is responsible for optimization of the design, and shall prepare proposed modifications to the SOR to document any such design improvements.

(d) In the event that the Contractor's detailed cost estimate indicates that the total price for CLINs 0003 and 0004 will exceed \$10,108,000.00, the Contractor shall submit a Contract Problem Identification Report in accordance with the provisions of Section C.

**H-16 SECTION L AND SECTION M AS PART OF CONTRACT**

Upon award of CLIN 0001 and CLIN 0002, Section L and Section M of this solicitation will become part of the resultant contract, as they are required for purposes of the Final Phase I down-selection process. Should the Contractor identify proposed changes to the SOR (Attachment J-1) during performance of CLIN 0001 or CLIN 0002, those proposed changes shall be documented in the Contractor's information provided for the Final Phase I down-selection. Section L and Section M will be removed from the Contract upon exercise of CLIN 0003.

**H-17 NOTICE TO PROCEED**

Within ten (10) days after exercise of CLIN 0003, if at all, the Contractor must provide to the Contracting Officer Certificates of Insurance in accordance with the clauses in Section I hereof entitled "INSURANCE, LIABILITY TO THIRD PERSONS" and bonds in accordance with the amount specified in Section H hereof entitled "PERFORMANCE AND PAYMENT BONDS." Within ten (10) days of verification of insurance coverage and receipt of bonds, the Contracting Officer will issue a written Notice to Proceed with the work required by CLIN 0003.

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Within ten (10) days after exercise of CLIN 0004, if at all, the Contractor must provide to the Contracting Officer Certificates of Insurance in accordance with the clauses in Section H hereof entitled "BUILDER'S RISK INSURANCE" and in Section I hereof entitled "INSURANCE, LIABILITY TO THIRD PERSONS" and bonds in accordance with the amount specified in Section H hereof entitled "PERFORMANCE AND PAYMENT BONDS." Within ten (10) days of verification of insurance coverage and receipt of bonds, the Contracting Officer will issue a written Notice to Proceed with the work required by CLIN 0004.

**SECTION I  
CONTRACT CLAUSES**

**I.1 CONTRACT CLAUSES**

**PART II CONTRACT CLAUSES**

**SECTION I: CONTRACT CLAUSES**

**I-1.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)

<u>NUMBER</u>	<u>TITLE AND DATE</u>
52.202-1	DEFINITIONS (DEC 2001)
52.203-3	GRATUITIES (APR 1984)
52.203-5	COVENANT AGAINST CONTINGENT FEES (APR 1984)
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO GOVERNMENT (JUL 1995)
52.203-7	ANTI-KICKBACK PROCEDURES (JUL 1995)
52.203-8	CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997)
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)
52.211-5	MATERIAL REQUIREMENTS (AUG 2000)
52.215-2	AUDIT AND RECORDS--NEGOTIATION (JUN 1999)
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997)
52-215-11	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS (OCT 1997)
52-215-12	SUBCONTRACTOR COST OR PRICING DATA (OCT 1997)
52-215-13	SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (OCT 1997)
52.215-14	INTEGRITY OF UNIT PRICES (OCT 1997)
52-215-16	FACILITIES CAPITAL COST OF MONEY (JUN 2003)
52-215-19	NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (JAN 1999)
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 2000)
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2002)
52.219-16	LIQUIDATED DAMAGES--SMALL BUSINESS SUBCONTRACTING PLAN (JAN 1999)
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT (DEC 1996)
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
52.222-26	EQUAL OPPORTUNITY (FEB 1999)
52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001)
52.223-6	DRUG-FREE WORKPLACE (MAY 2001)
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (OCT 2000)

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52.225-1 BUY AMERICAN ACT - BALANCE OF PAYMENTS PROGRAM - SUPPLIES (FEB 2000)  
52.225-8 DUTY-FREE ENTRY (FEB 2000)  
52.225-10 NOTICE OF BUY AMERICAN ACT/BALANCE OF PAYMENTS PROGRAM REQUIREMENT -  
CONSTRUCTION MATERIALS (FEB 2000)  
52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUL 2000)  
52.227-1 AUTHORIZATION AND CONSENT (JUL 1995)  
52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT  
(AUG 1996)  
52.227-9 REFUND OF ROYALTIES (APR 1984)  
52.227-14 RIGHTS IN DATA--GENERAL (JUN 1987)  
52.228-7 INSURANCE - LIABILITY TO THIRD PERSONS (MAR 1996)  
52.228-10 VEHICULAR AND GENERAL PUBLIC LIABILITY INSURANCE (APR 1984)  
52.229-3 FEDERAL, STATE, AND LOCAL TAXES (JAN 1991)  
52.229-5 TAXES--CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO (APR  
1984)  
52.232-1 PAYMENTS (APR 1984)  
52.232-8 DISCOUNTS FOR PROMPT PAYMENT (MAY 1997)  
52.232-11 EXTRAS (APR 1984)  
52.232-17 INTEREST (JUN 1996)  
52.232-18 AVAILABILITY OF FUNDS (APR 1984)  
52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)  
52.232-33 PAYMENT BY ELECTRONIC FUNDS--CENTRAL CONTRACTOR REGISTRATION (MAY  
1999)  
52.233-1 DISPUTES (DEC 1998)  
52.233-3 PROTEST AFTER AWARD (AUG 1996)  
52.242-13 BANKRUPTCY (JUL 1995)  
52.243-1 CHANGES--FIXED-PRICE (AUG 1987)  
52.243-6 CHANGE ORDER ACCOUNTING (APR 1984)  
52.244-2 SUBCONTRACTS (AUG 1998)  
52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2001)  
52.245-1 PROPERTY RECORDS (APR 1984)  
52.245-19 GOVERNMENT PROPERTY FURNISHED "AS IS" (APR 1984)  
52.246-23 LIMITATION OF LIABILITY (FEB 1997)  
52.246-25 LIMITATION OF LIABILITY--SERVICES (FEB 1997)  
52.248-1 VALUE ENGINEERING (FEB 2000)  
52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (SEP  
1996)  
52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984)  
52.253-1 COMPUTER GENERATED FORMS (JAN 1991)

**I-2 52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003)**

(a) *Definitions.* As used in this clause--

"Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4- character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at Subpart 32.11) for the same parent concern.

"Registered in the CCR database" means that--

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(1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database; and

(2) The Government has validated all mandatory data fields and has marked the record "Active".

(b)(1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the CCR database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS +4" followed by the DUNS or DUNS +4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.

(c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) An offeror may obtain a DUNS number—

(i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or

(ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

(2) The offeror should be prepared to provide the following information:

(i) Company legal business.

(ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.

(iii) Company Physical Street Address, City, State, and Zip Code.

(iv) Company Mailing Address, City, State and Zip Code (if separate from physical).

(v) Company Telephone Number.

(vi) Date the company was started.

(vii) Number of employees at your location.

(viii) Chief executive officer/key manager.

(ix) Line of business (industry).

(x) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.



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(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g) (1) (i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of name agreements in Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of Subpart 42.12 of the FAR; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423, or 269-961-5757."

**I-3    52.216-18    ORDERING    (OCT 1995)    (APPLICABLE ONLY TO CLINS 0004, 0005, 0006 0007 AND 0008)**

(a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule. Such orders may be issued from contract award through final acceptance of CLIN 0001.

(b) All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

(c) If mailed, a delivery order or task order is considered "issued" when the

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Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

**I-4    52.217-7    OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED  
LINE ITEM    (MAR 1989)**

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within the time periods defined in SECTION B. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

**I-5    52.219-23    NOTICE OF PRICE EVALUATION ADJUSTMENT FOR SMALL  
DISADVANTAGED BUSINESS CONCERNS (MAY 2001)**

(a) *Definitions.* As used in this clause—

"Small disadvantaged business concern" means an Offeror that represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either—

(1) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR part 124, subpart B; and

(i) No material change in disadvantaged ownership and control has occurred since its certification;

(ii) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(iii) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net).

(2) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR part 124, subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted. In this case, in order to receive the benefit of a price evaluation adjustment, an Offeror must receive certification as a small disadvantaged business concern by the Small Business Administration prior to contract award; or

(3) Is a joint venture as defined in 13 CFR 124.1002(f).

"Historically black college or university" means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense (DoD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority institution" means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C.

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1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

"United States" means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, and the District of Columbia.

(b) Evaluation adjustment. (1) The Contracting Officer will evaluate offers by taking into consideration the Small Disadvantaged Business status of all offers, except—

(i) Offers from small disadvantaged business concerns that have not waived the adjustment;

(ii) An otherwise successful offer of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is equaled or exceeded (see section 25.402 of the Federal Acquisition Regulation (FAR));

(iii) An otherwise successful offer where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government;

(iv) For DoD, NASA, and Coast Guard acquisitions, an otherwise successful offer from a historically black college or university or minority institution; and

(v) For DoD acquisitions, an otherwise successful offer of qualifying country end products (see sections 225.000-70 and 252.225-7001 of the Defense FAR Supplement).

(2) The Contracting Officer will apply the factor to a line item or a group of line items on which award may be made. The Contracting Officer will apply other evaluation factors described in the solicitation before application of the factor. The factor may not be applied if using the adjustment would cause the contract award to be made at a price that exceeds the fair market price by more than the factor in paragraph (b)(1) of this clause.

(c) *Waiver of evaluation adjustment.* A small disadvantaged business concern may elect to waive the adjustment, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply to offers that waive the adjustment.

\_\_\_\_\_ Offeror elects to waive the adjustment.

(d) *Agreements.* (1) A small disadvantaged business concern, that did not waive the adjustment, agrees that in performance of the contract, in the case of a contract for—

(i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern;

(ii) Supplies (other than procurement from a non-manufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern;

(iii) General construction, at least 15 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern; or

(iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern.

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(2) A small disadvantaged business concern submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced by small disadvantaged business concerns in the United States. This paragraph does not apply in connection with construction or service contracts.

**I-6 52.230-2 COST ACCOUNTING STANDARDS (APR 1998)**

(a) Unless the contract is exempt under 48 CFR 9903.201-1 and 9903.201-2, the provisions of 48 CFR part 9903 are incorporated herein by reference and the Contractor, in connection with this contract, shall-

(1) (*CAS-covered Contracts Only*) By submission of a Disclosure Statement, disclose in writing the Contractor's cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5, including methods of distinguishing direct costs from indirect costs and the basis used for allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with paragraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR part 9904, in effect on the date of award of this contract or, if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(i) (Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to paragraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of paragraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice

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consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621 of the Internal Revenue Code of 1986 (26 U.S.C. 6621) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS in 48 CFR 9904 or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the subcontractor's award date or if the subcontractor has submitted cost or pricing data, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data. If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted. This requirement shall apply only to negotiated subcontracts in excess of \$500,000, except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

**I-7    52.230-3    DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (APR 1998)**

(a) The Contractor, in connection with this contract, shall-

(1) Comply with the requirements of 48 CFR 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs; 48 CFR 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose; 48 CFR 9904.405, Accounting for Unallowable Costs; and 48 CFR 9904.406, Cost Accounting Standard-Cost Accounting Period, in effect on the date of award of this contract as indicated in 48 CFR part 9904.

(2) (*CAS-covered Contracts Only*) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3)(i) Follow consistently the Contractor's cost accounting practices. A change to such practices may be proposed, however, by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change

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must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 48 CFR 9903.201-6(b), that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the annual rate of interest established under the Internal Revenue Code of 1986 (26 U.S.C. 6621), from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable CAS, rule, or regulation as specified in 48 CFR 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C.601).

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that--

(1) If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted.

(2) This requirement shall apply only to negotiated subcontracts in excess of \$500,000.

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

**I-8    52.230-6    ADMINISTRATION OF COST ACCOUNTING STANDARDS (NOV 1999)**

For the purpose of administering the Cost Accounting Standards (CAS) requirements under this contract, the Contractor shall take the steps outlined in paragraphs (a) through (g) of this clause:

(a) Submit to the Contracting Officer a description of any cost accounting practice change, the total potential impact of the change on contracts containing a CAS clause, and a general dollar magnitude of the change which identifies the potential shift of costs between CAS-covered contracts by contract type (*i.e.*, firm-fixed-price, incentive, cost-plus-fixed fee, etc.) and other contractor business activity. As related to CAS-covered contracts, the analysis should identify the potential impact on funds of the various Agencies/Departments (*i.e.*, Department of Energy, National Aeronautics and Space Administration, Army, Navy, Air Force, other Department of Defense, other Government) as follows:

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(1) For any change in cost accounting practices required in accordance with paragraph (a)(3) and subdivision (a)(4)(i) of the clause at FAR 52.230-2, Cost Accounting Standards; or paragraph (a)(3) and subdivisions (a)(4)(i) or (a)(4)(iv) of the clause at FAR 52.230-5, Cost Accounting Standards-Educational Institution; within 60 days (or such other date as may be mutually agreed to) after award of a contract requiring this change.

(2) For any change in cost accounting practices proposed in accordance with subdivision (a)(4)(ii) or (iii) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or with paragraph (a)(3) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, not less than 60 days (or such other date as may be mutually agreed to) before the effective date of the proposed change.

(3) For any failure to comply with an applicable CAS or to follow a disclosed practice (as contemplated by paragraph (a)(5) at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or by paragraph (a)(4) at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices):

(i) Within 60 days (or such other date as may be mutually agreed to) after the date of agreement with the initial finding of noncompliance, or

(ii) In the event of Contractor disagreement with the initial finding of noncompliance, within 60 days of the date the Contractor is notified by the Contracting Officer of the determination of noncompliance.

(b) After an ACO, or cognizant Federal agency official, determination of materiality, submit a cost impact proposal in the form and manner specified by the Contracting Officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to paragraph (a) of this clause. The cost impact proposal shall be in sufficient detail to permit evaluation, determination, and negotiation of the cost impact upon each separate CAS-covered contract and subcontract.

(1) Cost impact proposals submitted for changes in cost accounting practices required in accordance with paragraph (a)(3) and subdivision (a)(4)(i) of the clause at FAR 52.230-2, Cost Accounting Standards; or paragraph (a)(3) and subdivisions (a)(4)(i) or (a)(4)(iv) of the clause at FAR 52.230-5, Cost Accounting Standards-Educational Institution; shall identify the applicable standard or cost principle and all contracts and subcontracts containing the clauses entitled Cost Accounting Standards or Cost Accounting Standards-Educational Institution, which have an award date before the effective date of that standard or cost principle.

(2) Cost impact proposals submitted for any change in cost accounting practices proposed in accordance with subdivisions (a)(4)(ii) or (iii) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost Accounting Standards-Educational Institution; or with paragraph (a)(3) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices; shall identify all contracts and subcontracts containing the clauses at FAR 52.230-2, Cost Accounting Standards, FAR 52.230-5, Cost Accounting Standards-Educational Institution, and FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices.

(3) Cost impact proposals submitted for failure to comply with an applicable CAS or to follow a disclosed practice as contemplated by paragraph (a)(5) of the clauses at FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-5, Cost

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Accounting Standards—Educational Institution; or by paragraph (a)(4) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, shall identify the cost impact on each separate CAS covered contract from the date of failure to comply until the noncompliance is corrected.

(c) If the submissions required by paragraphs (a) and (b) of this clause are not submitted within the specified time, or any extension granted by the Contracting Officer, an amount not to exceed 10 percent of each subsequent amount determined payable related to the Contractor's CAS-covered prime contracts, up to the estimated general dollar magnitude of the cost impact, may be withheld until such time as the required submission has been provided in the form and manner specified by the Contracting Officer.

(d) Agree to appropriate contract and subcontract amendments to reflect adjustments established in accordance with paragraphs (a)(4) and (a)(5) of the clauses at FAR 52.230-2 and 52.230-5; or with paragraphs (a)(3) or (a)(4) of the Disclosure and Consistency of Cost Accounting Practices clause at FAR 52.230-3.

(e) For all subcontracts subject to the clauses at FAR 52.230-2, 52.230-3, or 52.230-5—

(1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used);

(2) Include the substance of this clause in all negotiated subcontracts; and

(3) Within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administration office cognizant of the subcontractor's facility:

(i) Subcontractor's name and subcontract number.

(ii) Dollar amount and date of award.

(iii) Name of Contractor making the award.

(f) Notify the Contracting Officer in writing of any adjustments required to subcontracts under this contract and agree to an adjustment, based on them, to this contract price or estimated cost and fee. This notice is due within 30 days after proposed subcontract adjustments are received and shall include a proposal for adjusting the higher tier subcontract or the prime contract appropriately.

(g) For subcontracts containing the clauses at FAR 52.230-2 or 52.230-5, require the subcontractor to comply with all Standards in effect on the date of award or of final agreement on price, as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, whichever is earlier.

**I-9 52.232-25 PROMPT PAYMENT (MAY 2001)**

Notwithstanding any other payment clause in this contract, the Government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or the date of an electronic funds transfer. Definitions of pertinent terms are set forth in sections 2.101 and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see paragraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)



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(a) *Invoice payments*—(1) *Due date*. (i) Except as indicated in paragraphs (a)(2) and (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(A) The 30th day after the designated billing office has received a proper invoice from the Contractor (except as provided in subdivision (a)(1)(ii) of this clause).

(B) The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. On a final invoice where the payment amount is subject to contract settlement actions, acceptance shall be deemed to have occurred on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date shall be the 30th day after the date of the Contractor's invoice; provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) *Certain food products and other payments*. (i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or oils are—

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7<sup>th</sup> day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

(C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(3) *Contractor's invoice*. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in subdivisions (a)(3)(i) through (a)(3)(viii) of this clause. If the invoice does not comply with these requirements, it shall be returned within 7 days after the date the designated billing office received the

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invoice (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils), with a statement of the reasons why it is not a proper invoice. Untimely notification will be taken into account in computing any interest penalty owed the Contractor in the manner described in paragraph (a)(5) of this clause.

(i) Name and address of the Contractor.

(ii) Invoice date. (The Contractor is encouraged to date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(viii) Any other information or documentation required by the contract (such as evidence of shipment).

(ix) While not required, the Contractor is strongly encouraged to assign an identification number to each invoice.

(4) *Interest penalty.* An interest penalty shall be paid automatically by the designated payment office, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day without incurring a late payment interest penalty.

(i) A proper invoice was received by the designated billing office.

(ii) A receiving report or other Government documentation authorizing payment was processed, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) *Computing penalty amount.* The interest penalty shall be at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority (e.g., tariffs). This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the *Federal Register* semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the invoice principal payment amount approved by the Government until the payment

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date of such approved principal amount; and will be compounded in 30-day increments inclusive from the first day after the due date through the payment date. That is, interest accrued at the end of any 30-day period will be added to the approved invoice principal payment amount and will be subject to interest penalties if not paid in the succeeding 30-day period. If the designated billing office failed to notify the Contractor of a defective invoice within the periods prescribed in paragraph (a)(3) of this clause, the due date on the corrected invoice will be adjusted by subtracting from such date the number of days taken beyond the prescribed notification of defects period. Any interest penalty owed the Contractor will be based on this adjusted due date. Adjustments will be made by the designated payment office for errors in calculating interest penalties.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance shall be deemed to have occurred constructively on the 7<sup>th</sup> day (unless otherwise specified in this contract) after the Contractor delivered the supplies or performed the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. In the event that actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty shall be based on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The following periods of time will not be included in the determination of an interest penalty:

(A) The period taken to notify the Contractor of defects in invoices submitted to the Government, but this may not exceed 7 days (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils).

(B) The period between the defects notice and resubmission of the corrected invoice by the Contractor.

(C) For incorrect electronic funds transfer (EFT) information, in accordance with the EFT clause of this contract.

(iii) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1 need not be paid.

(iv) Interest penalties are not required on payment delays due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(6) *Prompt payment discounts.* An interest penalty also shall be paid automatically by the designated payment office, without request from the Contractor, if a discount for prompt payment is taken improperly. The interest penalty will be calculated as described in paragraph (a)(5) of this clause on the amount of discount taken for the period beginning with the first day after the end of the discount period through the date when the Contractor is paid.

(7) *Additional interest penalty.* (i) A penalty amount, calculated in accordance with paragraph (a)(7)(iii) of this clause, shall be paid in addition to the interest penalty amount if the Contractor—

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(A) Is owed an interest penalty of \$1 or more;

(B) Is not paid the interest penalty within 10 days after the date the invoice amount is paid; and

(C) Makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) Contractors shall support written demands for additional penalty payments with the following data. No additional data shall be required. Contractors shall—

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest was due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) Demands must be postmarked on or before the 40th day after payment was made, except that—

(1) If the postmark is illegible or nonexistent, the demand must have been received and annotated with the date of receipt by the designated payment office on or before the 40th day after payment was made; or

(2) If the postmark is illegible or nonexistent and the designated payment office fails to make the required annotation, the demand's validity will be determined by the date the Contractor has placed on the demand; provided such date is no later than the 40th day after payment was made.

(iii)(A) The additional penalty shall be equal to 100 percent of any original late payment interest penalty except—

(1) The additional penalty shall not exceed \$5,000;

(2) The additional penalty shall never be less than \$25; and

(3) No additional penalty is owed if the amount of the underlying interest penalty is less than \$1.

(B) If the interest penalty ceases to accrue in accordance with the limits stated in paragraph (a)(5)(iii) of this clause, the amount of the additional penalty shall be calculated on the amount of interest penalty that would have accrued in the absence of these limits, subject to the overall limits on the additional penalty specified in subdivision (a)(7)(iii)(A) of this clause.

(C) For determining the maximum and minimum additional penalties, the test shall be the interest penalty due on each separate payment made for each separate contract. The maximum and minimum additional penalty shall not be based upon individual invoices unless the invoices are paid separately. Where payments are consolidated for disbursing purposes, the maximum and minimum additional penalty determination shall be made separately for each contract therein.

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(D) The additional penalty does not apply to payments regulated by other Government regulations (e.g., payments under utility contracts subject to tariffs and regulation).

(b) *Contract financing payments.* (1) *Due dates for recurring financing payments.* If this contract provides for contract financing, requests for payment shall be submitted to the designated billing office as specified in this contract or as directed by the Contracting Officer. Contract financing payments shall be made on the [insert day as prescribed by Agency head; if not prescribed, insert 30th day] day after receipt of a proper contract financing request by the designated billing office. In the event that an audit or other review of a specific financing request is required to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the due date specified.

(2) *Due dates for other contract financing.* For advance payments, loans, or other arrangements that do not involve recurring submissions of contract financing requests, payment shall be made in accordance with the corresponding contract terms or as directed by the Contracting Officer.

(3) *Interest penalty not applicable.* Contract financing payments shall not be assessed an interest penalty for payment delays.

(c) *Fast payment procedure due dates.* If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

**I-10 52.246-18 WARRANTY OF SUPPLIES OF A COMPLEX NATURE (MAY 2001)**

(a) *Definitions.* As used in this clause—

"Acceptance" means the act of an authorized representative of the Government by which the Government assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific services rendered, as partial or complete performance of the contract.

"Supplies" means the end items furnished by the Contractor and related services required under this contract. The word does not include "data."

(b) *Contractor's obligations.* (1) The Contractor warrants that until Final Acceptance, all supplies furnished under this contract will be free from defects in material and workmanship and will conform with all requirements of this contract; provided, however, that with respect to Government-furnished property, the Contractor's warranty shall extend only to its proper installation, unless the Contractor performs some modification or other work on the property, in which case the Contractor's warranty shall extend to the modification or other work.

(2) Any supplies or parts thereof corrected or furnished in replacement shall be subject to the conditions of this clause to the same extent as supplies initially delivered. This warranty shall be equal in duration to that set forth in paragraph (b)(1) of this clause and shall run from the date of delivery of the corrected or replaced supplies.

(3) The Contractor shall not be obligated to correct or replace supplies if the facilities, tooling, drawings, or other equipment or supplies necessary to accomplish the correction or replacement have been made unavailable to the Contractor by action of the Government. In the event that correction or

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replacement has been directed, the Contractor shall promptly notify the Contracting Officer, in writing, of the nonavailability.

(4) The Contractor shall also prepare and furnish to the Government data and reports applicable to any correction required (including revision and updating of all affected data called for under this contract) at no increase in the contract price.

(5) When supplies are returned to the Contractor, the Contractor shall bear the transportation costs from the place of delivery specified in the contract (irrespective of the f.o.b. point or the point of acceptance) to the Contractor's plant and return.

(6) All implied warranties of merchantability and "fitness for a particular purpose" are excluded from any obligation contained in this contract.

(c) *Remedies available to the Government.* (1) In the event of a breach of the Contractor's warranty in paragraph (b)(1) of this clause, the Government may, at no increase in contract price—

(i) Require the Contractor, at the place of delivery specified in the contract (irrespective of the f.o.b. point or the point of acceptance) or at the Contractor's plant, to repair or replace, at the Contractor's election, defective or nonconforming supplies; or

(ii) Require the Contractor to furnish at the Contractor's plant the materials or parts and installation instructions required to successfully accomplish the correction.

(2) If the Contracting Officer does not require correction or replacement of defective or nonconforming supplies or the Contractor is not obligated to correct or replace under paragraph (b)(3) of this clause, the Government shall be entitled to an equitable reduction in the contract price.

(3) The Contracting Officer shall notify the Contractor in writing of any breach of the warranty in paragraph (b) of this clause within 60 days from occurrence. The Contractor shall submit to the Contracting Officer a written recommendation within 30 days as to the corrective action required to remedy the breach. After the notice of breach, but not later than 30 days after receipt of the Contractor's recommendation for corrective action, the Contracting Officer may, in writing, direct correction or replacement as in paragraph (c)(1) of this clause, and the Contractor shall, notwithstanding any disagreement regarding the existence of a breach of warranty, comply with this direction. If it is later determined that the Contractor did not breach the warranty in paragraph (b)(1) of this clause, the contract price will be equitably adjusted.

(4) If supplies are corrected or replaced, the period for notification of a breach of the Contractor's warranty in paragraph (c)(3) of this clause shall be 30 days from the furnishing or return by the Contractor to the Government of the corrected or replaced supplies or parts thereof, or, if correction or replacement is effected by the Contractor at a Government or other activity, for 30 days thereafter.

(5) The rights and remedies of the Government provided in this clause are in addition to and do not limit any rights afforded to the Government by any other clause of the contract.

**I-11 52.246-24 LIMITATION OF LIABILITY--HIGH-VALUE ITEMS (FEB 1997)**  
**ALTERNATE I (APR 1984)**

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(a) Except as provided in paragraphs (b) through (e) below, and notwithstanding any other provision of this contract, the Contractor shall not be liable for loss of or damage to property of the Government (including the supplies delivered under this contract) that (1) occurs after Government acceptance of the supplies delivered under this contract and (2) results from any defects or deficiencies in the supplies.

(b) The limitation of liability under paragraph (a) above shall not apply when a defect or deficiency in, or the Government's acceptance of, the supplies results from willful misconduct or lack of good faith on the part of any of the Contractor's managerial personnel. The term "Contractor's managerial personnel," as used in this clause, means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of--

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operations at any one plant, laboratory, or separate location at which the contract is being performed; or

(3) A separate and complete major industrial operation connected with the performance of this contract.

(c) If the Contractor carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the Government through purchase or use of the supplies required to be delivered under this contract, the Contractor shall be liable to the Government, to the extent of such insurance or reserve, for loss of or damage to property of the Government occurring after Government acceptance of, and resulting from any defects or deficiencies in, the supplies delivered under this contract.

(d) (1) This clause does not diminish the Contractor's obligations, to the extent that they arise otherwise under this contract, relating to correction, repair, replacement, or other relief for any defect or deficiency in supplies delivered under this contract.

(2) Unless this is a cost-reimbursement contract, if loss or damage occurs and correction, repair, or replacement is not feasible or desired by the Government, the Contractor shall, as determined by the Contracting Officer--

(i) Pay the Government the amount it would have cost the Contractor to make correction, repair, or replacement before the loss or damage occurred; or

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(ii) Provide other equitable relief.

(e) This clause shall not limit or otherwise affect the Government's rights under clauses, if included in this contract, that cover--

(1) Warranty of technical data;

(2) Ground and flight risks or aircraft flight risks; or

(3) Government property.

**I-12 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far>

**I-13 DISCHARGE OF LIENS (CAR 1352.217-98) (JAN 1987)**

The Contractor shall immediately discharge or cause to be discharged any lien or right in rem of any kind, other than in favor of the Government, which at any time exists or arises in connection with work done or materials furnished under any contract hereunder with respect to the machinery, fittings, equipment or materials for any of the vessels: If any such lien or right in rem is not immediately discharged, the Government may discharge or cause to be discharged such lien or right at the expense of the Contractor.

**I-14 COMPLETE AND FINAL EQUITABLE ADJUSTMENTS (CAR 1352.217-101) (JAN 1987)**

Whenever the Contractor submits any claim for an equitable adjustment attributable to any fact or circumstance regarded as a change order whether formal or "constructive," under the Changes clause or any other clause of this contract, such claim shall include all adjustments (including but not limited to adjustments arising out of delays or disruptions or both caused by such change order) to which the Contractor is entitled under this contract. The foregoing requirement shall not preclude the Contractor from revising or resubmitting the claim prior to agreement upon the equitable adjustment for the change order. However, unless otherwise expressly agreed in the aforesaid supplemental agreement, the Contractor shall waive any right under the Changes clause or any other clause of this contract to further equitable adjustments attributable to such facts or circumstances giving rise to the claim upon the execution of the supplemental agreement setting forth the equitable adjustment. In any event, such right shall be deemed to be waived.

**I-15 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (CAR 1352.217-104) (JAN 1987)**



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(a) For the purpose of this clause, the term "change" includes not only a change made pursuant to a written order designated as a "change order" but also any act or omission to act on the part of the Government where a request is made for equitable adjustment.

(b) Whenever the Contractor requests or proposes an equitable adjustment to the contract price of not more than \$100,000, for a change or an act or omission on the part of the Government, the request shall include a breakdown of the price adjustment in such form and supported by such reasonable detail as the Contracting Officer may request. As a minimum, the Contractor shall provide a breakdown of direct labor hours, labor dollars, overhead, material, subcontracts, contingencies and profit for each change and a justification for any extension of delivery date.

(c) Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 gross (aggregate increases and/or decreases) or more to the price of the contract for a change made pursuant to a written order designated as a "change order" or whenever the Contractor requests an equitable adjustment in any amount for any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request:

(1) A description of (i) the unperformed work required by the contract before the change which has been deleted by the change and (ii) the work deleted by the change that already has been completed in whole or in part. The description shall include a list of components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property shall be indicated. A separate description shall be furnished for design and production work. Items of raw material, purchased parts, components, and other identifiable hardware which are made excess by the change, and which are not to be retained by the Contractor, are to be listed for later disposition;

(2) A description of the work necessary to undo work already completed which has been deleted by the change;

(3) A description of the work substituted or added by the change that was not required by the terms of the contract before the change. A list of components and equipment (not bulk material or items) involved, should be included. A separate description shall be furnished for design work and production work;

(4) A description of any interference or inefficiency encountered in performing the change;

(5) A description of disruption attributable solely to the change, which shall include the following information:

(i) A specific description of each element of disruption which states how the work has been, or will be, disrupted;

(ii) The calendar time period when disruption occurred, or will occur;

(iii) The area(s) aboard ship where disruption occurred, or will occur;

(iv) The trade(s) disrupted, with a breakdown of man-hours for each trade;

(v) The scheduling of trades before, during, and after the period of disruption;

(vi) A description of measures taken to lessen the disruptive effect of the change.

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(6) The delay in delivery attributable solely to the change;

(7) A description of other work attributed to the change;

(8) A narrative statement of the direct causal relationship between any alleged Government act or omission and the claimed result, cross-referenced to the detailed information required above.

(9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the materials cost, labor hours, and indirect costs pertinent to the change estimated by the Contractor in preparing his initial and ultimate proposal(s) for this contract, and the amounts claimed to have been incurred, or projected to be incurred, corresponding to each such "budgeted cost" element.

(d) In addition to the information required by paragraph (b), each proposal submitted in support of a claim for equitable adjustment in the amount of \$100,000 or more under any provision of this contract shall contain a duly executed Standard Form 1411 (Contract Pricing Proposal) for each individual claim item. The submitted Standard Form 1411 shall fully comply with Section 15.804-6 of the Federal Acquisition Regulation and any instructions on the reverse side of the form.

(e) In addition to the information required by paragraph (c), each proposal submitted in support of a claim for equitable adjustment under any provision of this contract shall contain a duly executed SF-1411 (Contracting Pricing Proposal) for each individual claim item. The submitted SF-1411 shall fully comply with Section 15.804-6 of the Federal Acquisition Regulation and any instructions on the reverse side of the form.

(f) Individual claims for equitable adjustment may not encompass all of the factors listed in (c) above. Accordingly, the Contractor is required to set forth in his proposal information only with respect to those factors which are encompassed in the individual claim for equitable adjustment. In any event, the information furnished hereunder shall be in sufficient detail to permit the Contracting Officer to correlate the claimed increased costs or delay in delivery set forth in the SF-1411 (Contracting Pricing Proposal) with the information submitted pursuant to paragraph (c).

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**LIST OF ATTACHMENTS**

**J.1 Attachment 1**

CDRL B001	B001	0	FINAL DESIGN REVIEW	5/10/2006
CDRL B002	FA01-001	6	PROFILES	3/23/2006
CDRL B002	FA02-001	7	GENERAL ARRANGEMENTS	5/16/2006
CDRL B003 NOT FOR ISSUE		E	REVISED SOR	3/28/2006
CDRL B004 NOT FOR ISSUE		0	CORRESPONDANCE	
CDRL B005 NOT FOR ISSUE		0	REGULATOY CORRESPONDANCE	
CDRL B006 NOT FOR ISSUE		0	DESIGN REVIEW CONFERENCE / MEETING AGENDAS AND MINUTES	
CDRL B007 NOT FOR ISSUE		12	CONTRACT DESIGN PHASE SCHEDULES	
CDRL B008	FC16-001	0	PRELIMINARY LAUNCH PLAN	4/27/2005
CDRL B009	FC26-001	1	SCANTLING CALCULATIONS	2/4/2005
CDRL B009	S-80	0	STANDARD CONSTRUCTION DETAILS	2/8/2005
CDRL B009	FA19-001	2	DECK LOADING PLAN	2/21/2006
CDRL B009	FC30-001	1	STRUCTURAL ANALYSIS PLAN	8/23/2005
CDRL B009	FH10-001	1	MAIN ENGINE FDNS	2/6/2006
CDRL B009	FC31-001	2	GLOBAL & FINE MESH FEA ANALYSIS	6/30/2006
CDRL B009	FH01-001	4	SHELL SCANTLING	7/17/2006
CDRL B009	FH02-001	4	DECK SCANTLING	7/17/2006
CDRL B009	FH03-001	4	TRANSVERSE SECTIONS	7/17/2006
CDRL B009	FC32-001	1	FATIGUE ANALYSIS (DOWNEY ENGINEERING)	7/14/2006
CDRL B010	FC18-001	0	ENDURANCE FUEL CALCULATIONS	11/11/2005
CDRL B011	FC27-001	2	MANEUVERING PERFORMANCE PREDICTION	5/25/2006
CDRL B012	FC17-001	2	SEAKEEPING ANALYSIS REPORT, PHASE 2 NUMERICAL TEST RESULTS	7/31/2006
CDRL B012	FC20-001	0	SEAKEEPING EVALUATION PHYSICAL TEST RESULTS	5/22/2006
CDRL B013	FC28-001	0	DYNAMIC LOAD FACTORS REPORT	4/19/2005
CDRL B014	FC29-001	B	HYDRODYNAMIC MODEL TEST PLAN	4/5/2005
CDRL B015 NOT FOR ISSUE	MODPICS	P	MODEL TEST PICTURES	2/20/2006
CDRL B015	FC19-001	1	HYDRODYNAMIC MODEL TEST REPORTS	3/23/2006
CDRL B016	FC15-001	2	SPEED / POWER ANALYSIS	6/9/2006
CDRL B017	FZ24-001	0	COMBINED NOISE ANALYSIS (AIRBORNE NOISE ANALYSIS)	2/6/2006
CDRL B018	FZ27-001	0	HULL VIBRATION ANALYSIS REPORT	5/3/2006
CDRL B019	FZ28-001	0	THEORETICAL VIBRATION ANALYSIS OF THE PROPULSION SHAFT (LAMALO)	2/6/2006
CDRL B020	FZ23-001	0	SONAR NOISE ANALYSIS REPORT	5/23/2005
CDRL B021	FC10-001	0	SUBDIVISION ANALYSIS	1/26/2005
CDRL B022	FC07/FC09-001	2	INTACT AND DAMAGED STABILITY ANALYSIS (RETITLED 12/05/05)	12/5/2005
CDRL B024	FA13-001	0	EQUIPMENT REMOVAL ROUTES PLAN	11/29/2005
CDRL B025	FP12-001	1	LUBE OIL SYSTEM	8/25/2005
CDRL B025	FM03-001	0	STEERING GEAR & CANARD ACTUATION ARR	12/22/2005
CDRL B025	FP01-001	3	BILGE, BALLAST & FIREMAIN SYSTEM	12/5/2005
CDRL B025	FP13-001	2	SEA WATER COOLING SYS	10/26/2005
CDRL B025	FP04-001	1	FUEL SERVICE, FILL & TRANSF SYS	8/25/2005
CDRL B025	FP05-001	1	SEWAGE SYS	8/24/2005
CDRL B025	FP07-001	2	COMPRESSED AIR SYS	12/1/2005
CDRL B025	FP03-001	1	FRESHWATER SYS	8/5/2005
CDRL B025	FA18-001	0	BOAT HANDLING & STOWAGE ARR	5/3/2005
CDRL B025	FH20-001	1	ANCHORING AND MOORING ARR	11/17/2005
CDRL B025	FC06-001	0	PROPELLER DESIGN	5/23/2005
CDRL B025	FP06-001	1	COMBUSTION AIR & EXHAUST SYS	11/18/2005

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CDRL B025	FE01-001	1	POWER SYSTEM ONE LINE DIAG	11/9/2005
CDRL B025	FP27-001	1	HVAC DIAGRAMS	3/23/2006
CDRL B025	FE43-001	0	ELECTRONICS SYSTEMS BLOCK DIAG	1/19/2006
CDRL B026	FC23-001	1	TANK CAPACITY TABLE DATA	1/6/2006
CDRL B027	FC01-001	3	LINES & OFFSETS	1/9/2006
CDRL B028	FA03-001	0	MACHINERY ARR	10/24/2005
CDRL B029	FW01-001	5	PERIODIC CONTRACT DESIGN WEIGHT ESTIMATE	2/6/2006
CDRL B030	FW02-001	3	FINAL CONTRACT DESIGN WEIGHT ESTIMATE	7/18/2006
CDRL B031	FW00-001	2	WEIGHT CONTROL PLAN	5/30/2006
CDRL B033	FR03-001	0	SHAFT ALIGNMENT ANALYSIS	4/19/2005
CDRL B034	FE00-001	2	ELECTRIC POWER LOAD ANALYSIS (EPLA)	3/13/2006
CDRL B035	FE45-001	0	GOV MISSION ELECTRONICS EQPT INTERFACE CONTROL DOCUMENTATION	1/5/2005
CDRL B036	FA22-001	2	CHARTING LABORATORY ARR	2/21/2006
CDRL B037	FP28-001	2	HVAC CALCULATIONS	4/27/2005
CDRL B038	FP99-001	2	FLUID SYSTEMS CALCULATIONS	12/1/2005
CDRL B039	FA17-001	2	ARR OF MISSION EQPT & RIGGING	3/23/2006
CDRL B040	FH68-001	0	GOV MISSION OUTFIT EQPT INTERFACE CONTROL DOCUMENTATION	1/5/2005
CDRL B041	FA27-001	5	OUTFIT & ACCOMMODATION	5/16/2006
CDRL B042	FC61-001	1	PAINT SCHEDULE	8/16/2005
CDRL B043 SUBMITTED TO PMS	CMP1-001	0	CONFIGURATION MANAGEMENT PLAN	11/29/2005
CDRL B047 NOT FOR ISSUE		0	CONTRACT PROBLEM IDENTIFICATION REPORT (CPIR)	
CDRL B049	B049	2	DETAILED COST ESTIMATE FOR CLIN 004	6/12/2006
CDRL B050	B050	2	DETAILED DESIGN AND CONSTRUCTION PLAN, SCHEDULE	9/18/2006